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June 12, 2003

Mr. Jeffery Kitsembel  
Public Service Commission  
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Re: Docket No. 05-CE-130

Dear Mr. Kitsembel:

ANR Pipeline Company ("ANR") is submitting these comments to correct a false impression created by certain statements in the Draft Environmental Impact Statement ("DEIS") for the Elm Road Generation Station in Docket No. 05-CE-130. In particular, the DEIS states that the use of natural gas causes an additional reliability concern because electric generators require that the natural gas be received at high pressures of 450 psig or above. According to the DEIS, since a local distribution company (LDC) only needs low pressures for reliable service, the high pressures needed by the electrical generator makes that electric generator, even one holding firm contracts, less reliable than the LDC. The DEIS then tries to validate this concern by referring to a January 23, 2003 situation on ANR where the pipeline had difficulty maintaining pressure on its system for a few hours.

There are two problems with these statements. First, the purported distinction between an electric generator and an LDC is in many cases false. The Public Service Commission of Wisconsin is aware that many LDCs require high pressure from interstate pipelines in order to provide reliable service. Indeed, ANR has contracts with local utilities in Wisconsin that require pressures that are above 500 psig. More importantly, a reference to a single unique situation hardly acts to validate that there is a legitimate concern about the reliability of natural gas pipelines to provide service at contracted levels of pressure for either an electric generator or an LDC.

Second, a one-time temporary difficulty does not mean that natural gas is not reliable. Due to a congruence of certain unique circumstances and unexpected equipment failures, there were certain pressure maintenance issues that occurred in the extremities of ANR's system on January 23, 2003. However, not only did these pressure issues affect all customers (not just

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generators) but that situation was corrected in a matter of hours. Moreover, ANR has taken steps which will help to ensure that the same set of conditions will not reoccur. The simple fact is that it is hard for any other energy system to compete with the reliability of natural gas pipelines. Indeed, it is important to note that even in the unique circumstances of January 23, 2003, ANR's pressures in the area of the Elm Road Generation Station would have been more than sufficient to serve an electric power plant. ANR serves over 10,000 Mw of electric generation across its system and does so in a safe and reliable manner.

ANR requests that any statements concerning the lack of reliability of an electric generator due to the requirement of high pressures from natural gas pipeline be removed from the final EIS. ANR wants to emphasize that it is not opposing the Elm Road Generating Plant or making other comments. However, the statements described above, which could portray a misleading picture, act to cast doubts on the integrity of the EIS process. In order to ensure that the EIS is providing an accurate portrayal of the benefits and detriments of the proposed project, the statements concerning the reliability of electric generators based on the pressure necessary from natural gas pipelines should be removed from the EIS.

Respectfully submitted,

ANR PIPELINE COMPANY

/s/ Christopher D. Young

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